

## Message Text

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ACTION EB-07

INFO OCT-01 EA-07 ISO-00 CIAE-00 COME-00 DODE-00  
DOTE-00 FMC-01 INR-07 NSAE-00 CG-00 DLOS-09  
OES-07 L-03 TRSE-00 ( ISO ) W  
-----182315Z 071714 /43  
R 180902Z MAY 77  
FM AMEMBASSY TAIPEI  
TO SECSTATE WASHDC 3604

LIMITED OFFICIAL USE TAIPEI 2871

E.O. 11652: N/A  
TAGS: EWWT, TW  
SUBJECT: ALLEGED ROC DISCRIMINATION AGAINST U.S. VESSELS

REF: (A) TAIPEI 2429, (B) STATE 086058, (C) TAIPEI 2095,  
(D) TAIPEI 1869, (E) TAIPEI 1576

1. REAR ADMIRAL HSU CHI-LIN, DIRECTOR, DEPARTMENT OF NAVIGATION AND AVIATION, MINISTRY OF COMMUNICATIONS, HAS DENIED TO EMBOFF THAT COTTON IMPORTERS ARE UNDER ANY OFFICIAL LEGAL CONSTRAINT FORCING THEM TO SHIP CHINESE BOTTOMS. HOWEVER, HE CAME CLOSE TO ADMITTING DE FACTO FAVORITISM, STATING QUOTE WE WISH THEM VERY STRONGLY TO USE CHINESE VESSELS UNQUOTE. HE ALSO NOTED THAT WHILE THERE IS NO OFFICIALLY INSTITUTED DISCRIMINATION, IF THERE WERE, IT WOULD WORK TO THE OVERALL ADVANTAGE OF FOREIGN CARRIERS. THIS IS BECAUSE THE CHINESE FLAG FLEET HAS VERY LIMITED CONTAINER CAPABILITY, WHICH MEANS THAT IT MUST CONCENTRATE ON UNPROFITABLE CARGO SUCH AS COTTON AND LEAVE THE MORE LUCRATIVE TRADE TO OTHERS.

2. DIRECTOR TOOK OPPORTUNITY TO ASSURE EMBOFF THAT NEWLY-ANNOUNCED GROC POLICY TO SHIP 70 PERCENT OF BULK CARGO AND 40 PERCENT OF GENERAL CARGO ON CHINESE BOTTOMS  
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REPRESENTED NO IMMEDIATE THREAT TO FOREIGN SHIPPING INTERESTS. IT WAS A STATEMENT OF ASPIRATIONS, WHICH COULD NOT BE REALIZED UNTIL THE CHINESE FLAG FLEET WAS GREATLY EXPANDED. HE ALSO INDICATED WILLINGNESS OF GROC TO SET ASIDE 40 PERCENT OF TRADE WITH U.S. FOR U.S. BOTTOMS, AND FURTHER SUGGESTED U.S. GOVERNMENT GET ITS NATIONAL FLAG CARRIERS TOGETHER AND AGREE ON HOW THE 40

PERCENT WOULD BE SPLIT UP. FINALLY, HE NOTED THAT 40 PERCENT WOULD BE CONSIDERABLY IN EXCESS OF THE PERCENTAGE OF TRADE NOW CARRIED BY U.S. FLAG VESSELS.

3. HSU STATED THAT EVERGREEN WAS NOT CONSIDERED OR TREATED AS CHINESE FLAG CARRIER AND THAT ITS USE FOR SHIPMENT OF AMERICAN COTTON IN PREFERENCE TO U.S. FLAG VESSEL WOULD BE RESULT OF DECISION OF IMPORTER ALONE AND BASED STRICTLY ON ECONOMIC CONSIDERATIONS. HE DENIED EXISTENCE OF ANY DISCRIMINATORY LIST OF CARRIERS TO BE USED IF CHINESE BOTTOMS WERE NOT AVAILABLE.

4. EMBASSY PLANS TO CONTINUE DISCREET INVESTIGATION OF PROCEDURES OF INVOLVED GROC ORGANIS, PARTICULARLY OVERSEAS JOINT SHIPPING SERVICE AND CENTRAL TRUST. HOWEVER, WE BELIEVE IT UNLIKELY WE WILL BE ABLE TO OBTAIN HARD EVIDENCE OF OVERT DISCRIMINATION.  
UNGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MARINE TRANSPORTATION, DISCRIMINATION  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** ALLEGED ROC DISCRIMINATION AGAINST U.S. VESSELS  
**TAGS:** EWWT, TW, US  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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